



## Selling Your Business Online

Selling your business can be a tough choice for many business owners. When the time comes, there are many options available to you in where to get exposure for your company listing. Azureient has created this simple guide to discuss selling your business online, and why it may not always be the best option for you.

**Did you know:** *90% of business listings in marketplaces do not sell* (Parker, 2016)

### Pitfalls of Selling Online

Selling online is one of the best ways to give exposure to your company sale. There are many websites out there and business brokers abound that will take your listing. When selling online, there are some factors to consider before taking this leap.

1. **Type of business-** If you look at the businesses listed for sale, how many are like your company? Is your company unique enough to be listed among these, or is it a cookie cutter style that one can simply slap up online and hope for leads?
2. **Competition-** Competition is not your direct competitors, but how you are going to stand out among the two million plus businesses listed for sale?
3. **Getting an offer-** What kind of offers are you looking for? Do they meet your expectations? What are you losing out on?

Before you think of listing, or if you already have, think about these three criteria first. Most businesses that need to sell are not listed on any market, but are known in the network of investors and buyers who look for these types of deals.

## Already Selling Online

If you are already listed, how is the performance of offers? Are you seeing what you want out of the offers and is that arrangement working for you? Are you even getting any offers? These will give you an idea of how well online marketplaces can work for you.

## Business Brokers

Business brokers are real estate agents for businesses. They deal specifically with the ins and outs of listing and getting offers on potential company's for sale. As such, they can be a great asset for certain businesses, but not all. In fact, the average broker maybe sells 1-2 businesses a year, although performance is based on the firm, the type of businesses they list, and their own network.

## What Turns Potential Buyers Off

Serious buyers can be turned off from many factors in using a broker and listing online. Here are a few turn offs that you should consider when listing your business online:

**Buyer Profiling-** Some brokers want information on the buyer. They ask for net worth, capital on hand, etc. What they are doing is sourcing those with money and those who don't. Well, if you are looking to buy a business, you most likely have the means to do so. Many buyers, especially investors, don't want to provide this information. We don't know what happens to it with brokers and once provided, it can lead to other issues.

**Money Focused-** As we mentioned above, brokers want to know buyers financially. It usually presents a red flag for serious buyers and investors using this method. Brokers use this because they want to close your deal and talk to those who show them they have the funds.

**Red Flags-** Red flags that raise with brokers usually surround personal money, but also the type of disclosures presented. Confidentiality agreements are the norm in this line of business, but other disclosures or agreements, while rare, can be a turn off.

## Where to Sell Your Business

Some of the best deals are made without listing online. In fact, word of mouth and utilizing your network or that of a colleague can be the best way to sell your business. Most companies that acquire other companies don't search on marketplaces. They hear about the deals from their friends and network of colleagues. Think of the following dialogues:

*“Hey, I found this software company online for sale. It looks cool, we should check it out.”*

Or

*“My colleague is selling his IT company looking for another venture. He has run it for 10 years successfully and ready to spend more time with his family.”*

Which one sounds better to you? Which one would you most likely look into further? When someone can vouch for you and your company like the second example, it sounds more appealing than simply throwing it out there. The best approach is using your network, colleague’s networks, and for some businesses, consider a Merger & Acquisition (M&A) company. These type of companies work with buyers and sellers, but the buyers are often larger companies looking to acquire businesses like yours to absorb or run as a subsidiary.

## **Selling to Azureient**

Azureient buys select businesses using our method of buyers coming to us and M&A firms. We setup our focus and location interests, and sellers can contact us to propose their company. When sellers approach us, they are serious about selling their company. Some have exhausted the usual routes with no success. Not every company fits our focus, but those that do have potential that we can work with. We only acquire those companies in which our leadership can expand and grow using our own resources.

Contact us at [submissions@azureient.com](mailto:submissions@azureient.com) with information about your company.

## **References**

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